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SUPPLIES OR SERVICES AND PRICES/COSTS

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B.1 GENERAL

This contract is for the purchase of Information Technology products as defined in the Statement of Work (SOW).

B.2 OBLIGATION OF FUNDS AND FINANCIAL LIMITATIONS

This contract does not obligate the Government to order, or the Contractor to furnish, any articles in any quantity. The FAA will obligate funds against the contract at time of award by placing an initial order of \$10,000.00 or more. There will be no minimum quantities on any subsequent orders. The Government will be obligated only to the extent of the authorized orders placed against the contract.

The total obligation value for this contract, including all option years, if exercised, shall not exceed \$75,000,000.00.

B.3 REQUIREMENT

The Contractor shall provide all hardware/software products, maintenance and services to support Product Solutions described in the SOW and listed in Section B. The duration of the contract is five (5) years if all options are exercised, consisting of a base year and four (4) one-year option periods.

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B.4 PRICING

The resulting prices for products and services purchased under this contract must be provided as discounts from the Manufacturer's Suggested Retail Price (MSRP). Contract Line Item Numbers (CLINs) will be established, as required, for specific products offered on the contract. Minimum Discount CLINs will be created for the purchasing of groups of products from specific manufacturers and/or selected product lines or categories of products from specific manufacturers. The Contractor must provide these items at the negotiated minimum discount percentage off MSRP or at a higher discount percentage.

All products must be priced lower than the same products offered by the Contractor and its subcontractor/teaming partners on their GSA Schedule contract, NASA SEWP, or other Government-wide Acquisition Contracts (GWACs). The FAA must be offered any discounts for bulk purchasing, repeat purchases, etc. that are regularly offered to the Contractor's commercial customers.

The Contractor can voluntarily reduce prices or increase discount percentages on any purchase. Reduced prices for items on sale, at end-of-life, or available through special manufacturer promotions that are lower than the contract prices shall be automatically offered to the Government prior to receipt of orders. Additional discounts for volume purchases, by dollar or by quantity, shall be offered to the Government.

Price reductions, price renegotiations and minimum discount changes may be required as a result of changes in market conditions, industry trends or in cost/price indices and their impact on the Contractor's overall cost. The Contractor shall provide quantitative data to support any changes needed to CLINs. The data must demonstrate that the needed adjustments will provide comparable or better savings to the FAA.

Option year prices will have the same or greater discounts, but not less than the previous year's discounts.

The FAA reserves the right to negotiate price reductions for any good or service being purchased under this contract.

The FAA will consider the purchase of remanufactured products under the provisions of the Statement of Work. The products must be offered at a higher discount than that offered for newly manufactured equipment.

B.4.1 Professional Services

CLINs will be created for labor categories applicable to any services provided in support of the contract's Product Solutions. Other direct costs (ODCs) for items used in providing the related professional services shall be priced on a cost reimbursable basis.

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Where feasible, CLINs will be established as prepackaged integrated solutions for any combination of products and services at a fixed price.

B.4.2 Shipping Costs

Shipping costs are to be pre-paid by the Contractor and itemized separately on quotes and invoices.

In some cases, where the shipping costs provided by an existing Government contract carrier are lower than those of the Contractor, the Contractor, at the discretion of the Government, may be required to use this carrier.

B.4.3 Asset Tagging

Equipment requiring the application of asset tags (see Section C.5.1.4) is listed in Section H. A CLIN has been established for this fee.

B.4.4 Other Costs

All credit card transaction fees and the FAA Franchise Fee are to be included in the contract pricing.

If the FAA requires warehousing any additional costs associated with this service will be negotiated with the Contractor per Delivery Order. An itemized listing of these costs shall be provided on the quotes and invoices. A CLIN has been established for invoicing warehousing costs.

If the FAA requires large quantity orders to be put into kits the cost will be negotiated with the Contractor per Delivery Order. This service would typically be used to package all of the parts (e.g., power cords, cables) for a device into a single box. A CLIN has been established for invoicing kit packaging costs.

B.4.5 Open Market Items

Delivery Orders may include items not covered by existing CLINs if the items are in support of the products offered on the contract. These items shall be priced as discounts from the Contractor's existing GSA Schedule contract or as negotiated by the ordering official. The products may be purchased at an amount not to exceed 20% of a single order total or \$2,500.00, whichever is lower. They must be designated as "open market" items on quotes and orders.

B.4.6 Leases

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Should the FAA choose to lease, rather than purchase, any product referenced under this contract, the rates shall be negotiated with the Contractor by the Contracting Officer.

B.5 PRICING SCHEDULE

The items in Section J, Attachment IX comprise the Pricing Schedule.